

To:

Rural Health  
Clinics

HMOs and Other  
Managed Care  
Programs

## Revised Cost Report Forms for Rural Health Clinics

Wisconsin Medicaid has revised the Rural Health Clinic Settlement Determination form, Rural Health Clinic Trial Balance of Expenses, Reclassifications, and Adjustments form, and the Rural Health Clinic Staff Encounter form. Providers are to begin using the revised forms for their 2004 cost settlement.

### Revised Forms for Rural Health Clinics

Wisconsin Medicaid has revised several cost report forms for rural health clinics (RHCs). Providers are to begin using the revised forms for their 2004 cost settlement.

Refer to Attachment 1 of this *Wisconsin Medicaid and BadgerCare Update* for a summary of types of Wisconsin Medicaid cost report forms that are specific for the different types of RHCs. In addition to these forms, RHCs may continue to file quarterly cost reports.

#### *Revised Rural Health Clinic Settlement Determination Form*

Wisconsin Medicaid has changed the name and format of the Rural Health Clinic Settlement Determination form, HCF 11024 (Rev. 05/03), published in the Rural Health Clinic Services Handbook. There are now two different versions of the form based on the type of RHC:

- The Cost Report for Independent and Provider-Based (Affiliated Hospital Having More Than 50 Beds) Rural Health Clinics,

HCF 11079 (Rev. 02/05). This annual cost report form is a two-page summary of the encounter activity and settlement calculation (calculated cost less reimbursement and copayment). Refer to Attachments 2 and 3 for the revised form and completion instructions.

- The Cost Report for Provider-Based Rural Health Clinics (Affiliated Hospital Having 50 or Fewer Beds), HCF 11080 (Rev. 02/05). This annual cost report form is a two-page summary of the encounter rate calculation based on costs and the encounter activity with settlement calculation (calculated cost less reimbursement and copayments). Refer to Attachments 4 and 5 for the revised form and instructions.

#### *Revised Rural Health Clinic Trial Balance of Expenses, Reclassifications, and Adjustments Form*

Wisconsin Medicaid has revised the Rural Health Clinic Trial Balance of Expenses, Reclassifications, and Adjustments form, HCF 11023 (Rev. 05/03), published in the Rural Health Clinic Services Handbook. The form is now known as the Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses form, (Rev. 02/05). The form number has not changed. Only RHCs that are affiliated with hospitals that have 50 or fewer beds are required to use this form. This

form is a three-page summary of the RHC's incurred operational costs from trial balance expenses and related overhead costs for a given annual period. Refer to Attachments 6 and 7 for the revised form and instructions.

### *Revised Rural Health Clinic Staff Encounters Form*

Wisconsin Medicaid has revised the Rural Health Clinic Provider Staff Encounters form, HCF 11081 (Rev. 02/05). Refer to Attachment 8 for the revised form. Only rural health clinics that are affiliated with hospitals that have 50 or fewer beds are required to use this form. This form allows individual providers associated with the RHC to document total encounter activity.

### **Forms Available in Portable Document Format**

The revised forms are available in a fillable Portable Document Format (PDF) from the Forms page of the Wisconsin Medicaid Web site at [dhfs.wisconsin.gov/medicaid/](http://dhfs.wisconsin.gov/medicaid/).

The fillable PDF may be accessed using Adobe Reader® and may be completed electronically. To use the fillable PDF, click on the dash-outlined boxes to enter information. Press the "Tab" key to move from one box to the next.

For other formats or questions regarding the cost reports, providers may contact the RHC Auditor of the Department of Health Care Financing (DHCF).

### **Laboratory Costs Reminder**

Rural health clinics that are affiliated with hospitals that have 50 or fewer beds are reminded that laboratory services expenses incurred are not RHC costs and should be recorded in Section V of the Rural Health Clinics Reclassification and Adjustment of Trial Balance Expenses form for overhead calculations purposes.

### **Filing Requirements**

The cost report forms may be filed any time within the subsequent calendar or fiscal year for prior year activity. Cost settlements will only be calculated and executed 365 days after the last date of service for the provider's given calendar or fiscal year if an appropriately completed cost report has been submitted by the provider and received by the DHCF. Due to the requirements under HFS 106.02(9)(e)2, Wis. Admin. Code, cost reports submitted more than six years after the provider's given calendar/fiscal year will not be accepted.

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\*The Medicaid Web site provides instructions on how to obtain Adobe Reader® at no charge from the Adobe® Web site. Adobe Reader® does not allow users to save completed fillable PDFs to their computer; however, if Adobe Acrobat® is obtained, providers may save completed PDFs to their computer. Refer to the Adobe® Web site, [www.adobe.com/](http://www.adobe.com/), for more information about fillable PDFs.

*The Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at [dhfs.wisconsin.gov/medicaid/](http://dhfs.wisconsin.gov/medicaid/).

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# ATTACHMENT 1

## Wisconsin Medicaid Cost Report Forms Chart

Type of Rural Health Clinic	Forms to Be Submitted to Division of Health Care Financing Auditor After Calendar/Fiscal Year for Settlement Calculation to Be Scheduled	Documents Required to Be Available for Review by the Division of Health Care Financing Auditor, if Not Submitted to the Division
Rural Health Clinics Affiliated with Hospitals That Have 50 or Fewer Beds	<ul style="list-style-type: none"> <li>• Rural Health Statistical Data, HCF 11022 (Rev. 05/03).</li> <li>• Rural Health Clinic Provider Staff Encounters form, HCF 11081 (Rev. 02/05).</li> <li>• Cost Report for Provider-Based Rural Health Clinics (Affiliated Hospital Having 50 or Fewer Beds) form, HCF 11080 (Rev. 02/05).</li> <li>• Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses form, HCF 11023 (Rev. 02/05).</li> <li>• Clinic trial balance.</li> <li>• Supporting bridge worksheets for reclassifications and adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>• Medicare Cost Report.</li> <li>• Recipient encounter logs/reports for HMO activity, commercial insurance and Medicaid activity, commercial insurance and Medicare/Medicaid activity.</li> </ul>
Rural Health Clinics Affiliated with Hospitals That Have More Than 50 Beds	<ul style="list-style-type: none"> <li>• Rural Health Statistical Data, HCF 11022 (Rev. 05/03).</li> <li>• Cost Report for Independent and Provider-Based (Affiliated Hospital Having More Than 50 Beds) Rural Health Clinics form, HCF 11079 (Rev. 02/05).</li> </ul>	<ul style="list-style-type: none"> <li>• Medicare Cost Report.</li> <li>• Recipient encounter logs/reports for HMO activity, commercial insurance and Medicaid activity, commercial insurance and Medicare/Medicaid activity.</li> </ul>
Independent Rural Health Clinics	<ul style="list-style-type: none"> <li>• Rural Health Statistical Data, HCF 11022 (Rev. 05/03).</li> <li>• Cost Report for Independent and Provider-Based (Affiliated Hospital Having More Than 50 Beds) Rural Health Clinics form, HCF 11079 (Rev. 02/05).</li> </ul>	<ul style="list-style-type: none"> <li>• Medicare Cost Report.</li> <li>• Recipient encounter logs/reports for HMO activity, commercial insurance and Medicaid activity, commercial insurance and Medicare/Medicaid activity.</li> </ul>

## ATTACHMENT 2

# Cost Report for Independent and Provider-Based (Affiliated Hospital Having More Than 50 Beds) Rural Health Clinics Completion Instructions

(A copy of the "Cost Report for Independent and Provider-Based [Affiliated Hospital Having More Than 50 Beds] Rural Health Clinics Completion Instructions" is located on the following pages.)

**WISCONSIN MEDICAID**  
**COST REPORT FOR INDEPENDENT AND PROVIDER-BASED (AFFILIATED HOSPITAL  
HAVING MORE THAN 50 BEDS) RURAL HEALTH CLINICS COMPLETION INSTRUCTIONS**

Wisconsin Medicaid requires certain information to enable Medicaid to certify providers and to authorize and pay for medical services provided to eligible recipients.

Personally identifiable information about Medicaid providers is used for purposes directly related to Medicaid administration such as determining the certification of providers or processing provider claims for reimbursement. Non-submission of cost report data will result in no settlement determination being made.

The use of this form is voluntary, but providers are required to submit the information required on the form for a settlement determination and payment to take place.

**INSTRUCTIONS:** Wisconsin Medicaid-certified rural health clinics (RHCs) interested in receiving a cost settlement for services rendered to Wisconsin Medicaid recipients for a given calendar/fiscal year are required to file a cost report with the Division of Health Care Financing's RHC Auditor.

Cost reports may be filed at any time within the subsequent calendar/fiscal year for prior year activity. Cost settlements are only calculated and executed 365 days after the last date of service (DOS) for a given calendar/fiscal year by Wisconsin Medicaid. Quarterly cost reports may be filed during the current year to streamline cash flow.

Quarterly payments made by Wisconsin Medicaid to RHCs are subjected to recoupment at the time of settlement calculation if the sum of payments exceeds the annual cost settlement calculation. Rural health clinics are encouraged to be conservative in their quarterly requests.

**SECTION I — PROVIDER INFORMATION**

This section requires the following information from the provider:

- Facility name.
- Rural health clinic provider's Medicaid provider number.
- Date span of the reporting period.

**SECTION II — DETERMINATION OF RURAL HEALTH CLINIC ENCOUNTER RATE**

The Medicare upper allowable cost rate should be used for each calendar year. For fiscal years spanning two calendar periods, the relevant calendar year upper allowable cost should be prorated between the fiscal year time frames.

The Health Personnel Shortage Area (HPSA) bonus, up to a maximum of 10 percent, is determined by the percentage of Wisconsin Medicaid recipients living within a Wisconsin Medicaid-specified HPSA area seen by the RHC. For *Wisconsin Medicaid and BadgerCare Update* information regarding HPSA areas, visit the Wisconsin Medicaid Web site at [dhfs.wisconsin.gov/medicaid/](http://dhfs.wisconsin.gov/medicaid/).

**SECTION III — COST SETTLEMENT CALCULATION — MEDICAID-ONLY ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on Medicaid covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate minus any fee-for-service or HMO reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

**SECTION IV — COST SETTLEMENT CALCULATION — MEDICARE / MEDICAID CROSSOVER ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on the Medicare/Medicaid crossover covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate less the prorated Medicare reimbursable costs (per filed Medicare Cost Report) and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

**SECTION V — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICAID ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on commercial insurance and Medicaid covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or the amount billed for the encounter, less any fee-for-service, HMO, and commercial insurance reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (i.e., allowable cost) or amount billed. Therefore, any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

## **SECTION VI — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICARE / MEDICAID ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on the commercial insurance/Medicare/Medicaid crossover covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or amount billed for the encounter, less the averaged Medicare reimbursable costs and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (i.e., allowable cost) or amount billed. Therefore, any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

## **SECTION VII — COST SETTLEMENT DETERMINATION FOR RURAL HEALTH CLINIC**

Calculates the actual cost settlement due to the RHC. The interim calculated settlement amounts for each section are listed minus the relevant copayments that could have been collected and quarterly interim payments made by Wisconsin Medicaid to the RHC.

The balance due is then tendered via a Remittance and Status Report statement to the RHC.

# ATTACHMENT 3

## Cost Report for Independent and Provider-Based (Affiliated Hospital Having More Than 50 Beds) Rural Health Clinics Form

(A copy of the "Cost Report for Independent and Provider-Based [Affiliated Hospital Having More Than 50 Beds] Rural Health Clinics" form is located on the following pages.)

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**WISCONSIN MEDICAID  
COST REPORT FOR INDEPENDENT AND PROVIDER-BASED  
(AFFILIATED HOSPITAL HAVING MORE THAN 50 BEDS) RURAL HEALTH CLINICS**

**Instructions:** Type or print clearly. Before completing this form, read the Cost Report for Independent and Provider-Based (Affiliated Hospital Having More Than 50 Beds) Rural Health Clinics Completion Instructions (HCF 11079A).

**SECTION I — PROVIDER INFORMATION**

Name — Facility	Rural Health Clinic (RHC) Provider's Medicaid Provider Number
Reporting Period	
From	To

**SECTION II — DETERMINATION OF RURAL HEALTH CLINIC ENCOUNTER RATE**

	Prior to 1/1	On or After 1/1	Total
1. Cost report period (calendar or fiscal)			
2. Medicare upper allowable cost rate for calendar year (Medicare Cost Report, CMS Form 222-92, Worksheet C, Part 2, Line 10)	\$	\$	
3. Applicable Health Personnel Shortage Area (HPSA) bonus percentage	%	%	
4. Health Personnel Shortage Area rate (Line 2 multiplied by Line 3)	\$	\$	\$
5. Portion of cost report period to which encounter rate applies			
6. Sum of Lines 2 and 4 multiplied by Line 5	\$	\$	
7. Medicaid cost report rate per encounter (Sum of Line 6, Columns 1 and 2)			\$

**SECTION III — COST SETTLEMENT CALCULATION — MEDICAID-ONLY ENCOUNTERS**

8. Medicaid encounter rate (Line 7)	\$
9. Medicaid encounters submitted to Wisconsin Medicaid	
10. Medicaid encounters submitted to HMOs that contract with Wisconsin Medicaid	
11. Total Medicaid encounters (Sum of Lines 9 and 10)	
12. Cost calculated for Medicaid-only encounters (Line 8 multiplied by Line 11)	\$
13. Subtract	
a.) Fee-for-service payments by Wisconsin Medicaid for Medicaid-only encounters	\$
b.) Payments by HMOs that contract with Medicaid for Medicaid-only encounters	\$
14. Net cost settlement from Medicaid-only encounters (Line 12 minus Lines 13a and 13b)	\$

**SECTION IV — COST SETTLEMENT CALCULATION — MEDICARE / MEDICAID CROSSOVER ENCOUNTERS**

15. Medicaid encounter rate (Line 7)	\$
16. Total Medicare / Medicaid crossover encounters submitted to Wisconsin Medicaid	
17. Cost calculated for Medicare / Medicaid crossover encounters (Line 15 multiplied by Line 16)	\$
18. Medicare covered visits (Medicare Cost Report, CMS Form 222-92, Worksheet C, Part 2, Line 11)	
19. Percentage of Medicare / Medicaid visits in relation to Medicare covered visits (Line 16 divided by Line 18)	%
20. Medicare reimbursable costs of RHC services (Medicare Cost Report, CMS Form 222-92, Worksheet C, Part II, Line 19)	\$
21. Subtract	
a.) Proportion of Medicare reimbursable costs for Medicare / Medicaid crossover encounters (Line 19 multiplied by Line 20)	
b.) Fee-for-service payments by Wisconsin Medicaid for Medicare / Medicaid crossover encounters	
22. Net cost settlement from Medicare / Medicaid crossover encounters (Line 17 minus Lines 21a and 21b)	\$

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**SECTION V — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICAID ENCOUNTERS**

23. Total insurance / Medicaid encounters submitted to Wisconsin Medicaid	
24. Total insurance / Medicaid encounters submitted to HMOs that contract with Wisconsin Medicaid	
25. Allowable cost for each encounter reported on Line 23 (Lesser of amount billed or non-HPSA encounter rate)	\$
26. Allowable cost for each encounter reported on Line 24 (Lesser of amount billed or non-HPSA encounter rate)	\$
27. Total allowable cost (Sum of Lines 25 and 26)	\$
28. Health Personnel Shortage Area bonus (Line 27 multiplied by Line 3)	\$
29. Medicaid-allowable cost amount with HPSA bonus (Sum of Lines 27 and 28)	\$
30. Subtract	
a.) Insurance payments	\$
b.) Fee-for-service payments by Wisconsin Medicaid for insurance / Medicaid encounters	\$
c.) Payments by HMOs that contract with Wisconsin Medicaid for insurance / Medicaid encounters	\$
31. Net cost settlement for insurance / Medicaid encounters (Line 29 minus Lines 30a through 30c)	\$

**SECTION VI — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICARE / MEDICAID ENCOUNTERS**

32. Total insurance / Medicare / Medicaid encounters submitted to Wisconsin Medicaid	
33. Total allowable cost for encounters reported on Line 32 (Lesser of amount billed or non-HPSA encounter rate)	\$
34. Health Personnel Shortage Area bonus (Line 33 multiplied by Line 3 total column)	\$
35. Medicaid-allowable cost amount with the HPSA bonus (Sum of Lines 33 and 34)	\$
36. Percentage of insurance / Medicare / Medicaid visits in relation to Medicare covered visits (Line 32 divided by Line 18)	
37. Subtract	
a.) Insurance payments	\$
b.) Fee-for-service payments by Wisconsin Medicaid for insurance / Medicare / Medicaid encounters	\$
c.) Proportion of Medicare reimbursable costs for insurance / Medicare / Medicaid encounters (Line 36 multiplied by Line 20)	\$
38. Net cost settlement for insurance / Medicare / Medicaid encounters (Line 35 minus Lines 37a through 37c)	\$

**SECTION VII — COST SETTLEMENT DETERMINATION FOR RURAL HEALTH CLINIC**

39. Settlement for Medicaid-only encounters (Line 14)	\$
40. Settlement for Medicare / Medicaid crossover encounters (Line 22)	\$
41. Settlement for insurance / Medicaid encounters (Line 31)	\$
42. Settlement for insurance / Medicare / Medicaid encounters (Line 38)	\$
43. Subtotal	\$
44. Copayments	\$
45. Settlement calculation total (Line 43 minus Line 44)	\$
46. Quarterly payments	\$
47. Balance due to provider (Line 45 minus Line 46)	\$

# ATTACHMENT 4

## Cost Report for Provider-Based Rural Health Clinics (Affiliated Hospital Having 50 or Fewer Beds) Completion Instructions

(A copy of the "Cost Report for Provider-Based Rural Health Clinics [Affiliated Hospital Having 50 or Fewer Beds] Completion Instructions" is located on the following pages.)

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**WISCONSIN MEDICAID  
COST REPORT FOR PROVIDER-BASED RURAL HEALTH CLINICS  
(AFFILIATED HOSPITAL HAVING 50 OR FEWER BEDS) COMPLETION INSTRUCTIONS**

Wisconsin Medicaid requires certain information to enable Medicaid to certify providers and to authorize and pay for medical services provided to eligible recipients.

Personally identifiable information about Medicaid providers is used for purposes directly related to Medicaid administration such as determining the certification of providers or processing provider claims for reimbursement. Non-submission of cost report data will result in no settlement determination being made.

The use of this form is voluntary, but providers are required to submit the information required on the form for a settlement determination and payment to take place.

**INSTRUCTIONS:** Wisconsin Medicaid-certified rural health clinics (RHCs) interested in receiving a cost settlement for services rendered to Wisconsin Medicaid recipients for a given calendar/fiscal year are required to file a cost report with the Division of Health Care Financing's RHC Auditor.

Rural health clinics that are affiliated with hospitals that have 50 or fewer beds are required to file the Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses form, HCF 11023 (Rev. 02/05) and the Cost Report for Provider-Based Rural Health Clinics (Affiliated Hospital Having 50 or Fewer Beds) form, HCF 11080 (Rev. 02/05). The forms may be filed at any time within the subsequent calendar/fiscal year for prior year activity. Cost settlements are only calculated and executed 365 days after the last date of service (DOS) for a given calendar/fiscal year by Wisconsin Medicaid.

Quarterly cost reports may be filed during the current year to streamline cash flow. Quarterly payments made by Wisconsin Medicaid to RHCs are subjected to recoupment at the time of settlement calculation if the sum of payments exceeds the annual cost settlement calculation. Rural health clinics are encouraged to be conservative in their quarterly requests.

**SECTION I — PROVIDER INFORMATION**

This section requires the following information from the provider:

- Facility name.
- Rural health clinic provider's Medicaid provider number.
- Date span of the reporting period.

**SECTION II — DETERMINATION OF RURAL HEALTH CLINIC ENCOUNTER RATE**

This section determines the cost-based encounter rate for the cost settlement. All costs listed per the Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses form should be represented in the appropriate summary section line.

Non-RHC costs are proportioned to RHC costs to determine the appropriate primary care service overhead.

The direct costs and overhead associated with primary care services are then divided among the total encounter volume experienced by the RHC in the reporting time frame for all recipients.

Due to the encounter rate being based on actual costs of operations, no Health Personnel Shortage Area (HPSA) percentage will be applied for the Medicaid recipient population seen at the provider-based RHC (affiliated hospital having 50 or fewer beds).

**SECTION III — COST SETTLEMENT CALCULATION — MEDICAID-ONLY ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on the Medicaid covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate minus any fee-for-service or HMO reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

**SECTION IV — COST SETTLEMENT CALCULATION — MEDICARE / MEDICAID CROSSOVER ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on the Medicare/Medicaid crossover covered and reimbursed RHC services. Settlement is determined by calculating the number of encounters multiplied by the encounter rate, minus the prorated Medicare reimbursable costs (per filed Medicare Cost Report) and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

This is an interim value to be used in the final calculation of Section VII.

#### **SECTION V — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICAID ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on commercial insurance and Medicaid covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or amount billed for the encounter, minus any fee-for-service, HMO, and commercial insurance reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (i.e., allowable cost) or amount billed. Therefore any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

#### **SECTION VI — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICARE / MEDICAID ENCOUNTERS**

This section determines the interim cost settlement due to the RHC based on the commercial insurance/Medicare/Medicaid crossover covered and reimbursed RHC services. Settlement is determined by the lesser of the encounter rate or amount billed for the encounter, minus the averaged Medicare reimbursable costs and fee-for-service reimbursement received for RHC services rendered during the encounter's DOS.

Commercial insurance encounters are capped at the lesser of the straight non-HPSA encounter rate (i.e., allowable cost) or amount billed. Therefore any encounters where insurance payments are in excess of the encounter rate should be discarded from the settlement data.

This is an interim value to be used in the final calculation of Section VII.

#### **SECTION VII — COST SETTLEMENT DETERMINATION FOR RURAL HEALTH CLINIC**

This section calculates the actual cost settlement due to the RHC. The interim calculated settlement amounts for each section are listed minus the relevant copays that could have been collected and the quarterly interim payments made by Wisconsin Medicaid to the RHC.

The balance due is then tendered via a Remittance and Status Report statement to the RHC.

## ATTACHMENT 5

### Cost Report for Provider-Based Rural Health Clinics (Affiliated Hospital Having 50 or Fewer Beds) Form

(A copy of the "Cost Report for Provider-Based Rural Health Clinics [Affiliated Hospital Having 50 or Fewer Beds]" form is located on the following pages.)

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**WISCONSIN MEDICAID  
COST REPORT FOR PROVIDER-BASED RURAL HEALTH CLINICS  
(AFFILIATED HOSPITAL HAVING 50 OR FEWER BEDS)**

**Instructions:** Type or print clearly. Before completing this form, read the Cost Report for Provider-Based Rural Health Clinics (Affiliated Hospital Having 50 or Fewer Beds) Completion Instructions (HCF 11080A).

**SECTION I — PROVIDER INFORMATION**

Name — Facility	Rural Health Clinic (RHC) Provider's Medicaid Provider Number
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Reporting Period

From

To

**SECTION II — DETERMINATION OF RURAL HEALTH CLINIC ENCOUNTER RATE**

1. Total Cost of RHC Services (Reclassification and Adjustment form; Section III, Column 7, Line 16)	\$
2. Non-RHC costs (Reclassification and Adjustment form; Section V, Column 7, Line 45)	\$
3. Sum of Lines 1 and 2	\$
4. Percentage of Non-RHC costs to sum of costs (Line 2 divided by Line 3)	%
5. Total Facility Overhead (Reclassification and Adjustment form; Section IV, Column 7, Line 37)	\$
6. Overhead applicable to services other than RHC services (Line 5 multiplied by Line 4)	\$
7. Overhead applicable to RHC services (Line 5 minus Line 6)	\$
8. Total cost with overhead for RHC services (Sum of Line 1 and Line 7)	\$
9. Total RHC encounters (Medicare Cost Report, CMS Form 2552-96, Worksheet M-2, Line 8)	
10. Rural health clinic encounter rate (Line 8 divided by Line 9)	\$

**SECTION III — COST SETTLEMENT CALCULATION — MEDICAID-ONLY ENCOUNTERS**

11. Medicaid RHC encounter rate (Line 10)	\$
12. Medicaid encounters submitted to Wisconsin Medicaid	
13. Medicaid encounters submitted to HMOs that contract with Wisconsin Medicaid	
14. Total Medicaid encounters (Sum of Lines 12 and 13)	
15. Cost calculated for Medicaid-only encounters (Line 11 multiplied by Line 14)	\$
16. Subtract	
a.) Fee-for-service payments by Wisconsin Medicaid for Medicaid-only encounters	\$
b.) Payments by HMOs that contract with Wisconsin Medicaid for Medicaid-only encounters	\$
17. Net cost settlement from Medicaid-only encounters (Line 15 minus Lines 16a and 16b)	\$

**SECTION IV — COST SETTLEMENT CALCULATION — MEDICARE / MEDICAID CROSSOVER ENCOUNTERS**

18. Medicaid encounter rate (Line 10)	\$
19. Total Medicare / Medicaid crossover visits submitted to Wisconsin Medicaid	
20. Cost calculated for Medicare / Medicaid crossover encounters (Line 18 multiplied by Line 19)	\$
21. Medicare covered visits (Medicare Cost Report Form 2552-96, Worksheet M-3, Line 10)	
22. Percentage of Medicare / Medicaid visits to Medicare Covered Visits (Line 19 divided by Line 21)	%
23. Medicare reimbursable costs of RHC services (Medicare Cost Report Form 2552-96, Worksheet M-3, Line 19)	
24. Subtract	
a.) Proportion of Medicare reimbursable costs for Medicare / Medicaid crossover encounters (Line 22 multiplied by Line 23)	
b.) Fee-for-service payments by Wisconsin Medicaid for Medicare / Medicaid crossover encounters	
25. Net cost settlement from Medicare / Medicaid crossover encounters (Line 20 minus Lines 24a and 24b)	\$

*Continued*

**SECTION V — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICAID ENCOUNTERS**

26.	Total insurance / Medicaid encounters submitted to Wisconsin Medicaid	
27.	Total insurance / Medicaid encounters submitted to HMOs that contract with Wisconsin Medicaid	
28.	Allowable cost for encounters reported on Line 26 (Lesser of amount billed or encounter rate)	\$
29.	Allowable cost for encounters reported on Line 27 (Lesser of amount billed or encounter rate)	\$
30.	Total allowable cost (Sum of Lines 28 and 29)	\$
31.	Subtract	
	a.) Insurance payments	\$
	b.) Fee-for-service payments by Wisconsin Medicaid	\$
	c.) Payments by HMOs that contract with Wisconsin Medicaid for insurance / Medicaid encounters	\$
32.	Net cost settlement for insurance / Medicaid encounters (Line 30 minus Lines 31a through 31c)	\$

**SECTION VI — COST SETTLEMENT CALCULATION — COMMERCIAL INSURANCE / MEDICARE / MEDICAID ENCOUNTERS**

33.	Total insurance / Medicare / Medicaid encounters submitted to Wisconsin Medicaid	
34.	Total allowable cost for encounters reported on Line 34 (Lesser of amount billed or encounter rate)	\$
35.	Percentage of insurance / Medicare / Medicaid visits in relation to Medicare covered visits (Line 33 divided by Line 21)	%
36.	Subtract	
	a.) Insurance payments	\$
	b.) Fee-for-service payments by Wisconsin Medicaid for insurance / Medicare / Medicaid encounters	\$
	c.) Proportion of Medicare reimbursable costs for insurance / Medicare / Medicaid encounters (Line 35 multiplied by Line 23)	
37.	Net cost settlement for insurance / Medicare / Medicaid encounters (Line 34 minus Lines 36a through 36c)	\$

**SECTION VII — COST SETTLEMENT DETERMINATION FOR RURAL HEALTH CLINIC**

38.	Settlement for Medicaid-only encounters (Line 17)	\$
39.	Settlement for Medicare / Medicaid crossover encounters (Line 25)	\$
40.	Settlement for insurance / Medicaid encounters (Line 32)	\$
41.	Settlement for insurance / Medicare / Medicaid encounters (Line 37)	\$
42.	Subtotal	\$
43.	Copayments	\$
44.	Settlement calculation total (Line 42 minus Line 43)	\$
45.	Quarterly payments	\$
46.	Balance due to provider (Line 44 minus Line 45)	\$

# ATTACHMENT 6

## Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses Completion Instructions

(A copy of the "Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses Completion Instructions" is located on the following page.)

## WISCONSIN MEDICAID RURAL HEALTH CLINIC RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE EXPENSES COMPLETION INSTRUCTIONS

Wisconsin Medicaid requires certain information to enable Medicaid to certify providers and to authorize and pay for medical services provided to eligible recipients.

Personally identifiable information about Medicaid providers is used for purposes directly related to Medicaid administration such as determining the certification of providers or processing provider claims for reimbursement. Non-submission of cost report data will result in no settlement determination being made.

The use of this form is voluntary, but providers are required to submit the information required on the form for a settlement determination and payment to take place.

This form is to record operating costs incurred by the rural health clinic (RHC). These costs are from the trial balance of the RHC's financial records and Medicare cost reports. Overhead assigned from the Medicare Cost Report, Worksheet B, Part I, must be broken out into separate categories per the designated line items. All expenses/costs will need to be listed, including those that are not direct RHC services.

Wisconsin Medicaid does not consider diagnostic services, such as laboratory or radiology, as directly related RHC expenses. They are appropriately classified as non-RHC costs. This also includes pharmaceutical costs.

Cafeteria, dietary, and advertising costs are considered non-reimbursable RHC costs. These costs should be included as non-RHC costs since they are part of the overall RHC operations and will be used to determine the proportional overhead expenses that are directly related to RHC primary care operations. Overhead will need to meet the criteria of reasonableness for encounter rate calculations.

Adjustments and reclassifications to clinic trial expenses should appropriately reflect the costs incurred at the RHC. Supporting schedules, such as Bridge worksheets for the adjustments and reclassifications should be submitted with the cost report. It is also recommended that the provider submit a copy of the clinic's trial balance and filed Medicare Cost Report to the Division of Health Care Financing (DHCF). If these files are not submitted directly to the DHC, they will need to be available for review by the DHCF RHC Auditor at the time of the settlement determination.

### SECTION I — PROVIDER INFORMATION

This section requires the following information from the provider:

- Rural health clinic provider's Medicaid provider number.
- Date span of the reporting period.

### SECTION II — FACILITY HEALTH CARE STAFF COSTS

The actual salaries and benefits attributable to the RHC primary care staff (physicians, physician assistants, nurse practitioners, and nurse midwives) should be listed in this section.

### SECTION III — OTHER DIRECT RURAL HEALTH CLINIC HEALTH CARE COSTS

The expenses directly related to primary care services rendered at the RHC should be listed. This includes medical records, staff salaries, and medical equipment cost and depreciation.

### SECTION IV — FACILITY OVERHEAD

The expenses related to clinic operations that are not directly associated with patient care services should be listed. Medicare Cost Report overhead expenses will need to be separated out and appropriately classified into the Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses form, HCF 11023 (Rev. 02/05). Any cafeteria costs allocated via the Medicare Cost Report should be appropriately classified into the non-RHC costs section. Overhead will also need to meet the criteria of reasonableness.

### SECTION V — NON-RURAL HEALTH CLINIC COSTS

These are expenses incurred by the RHC in its operations that are not related to primary care services. All incurred laboratory, radiology, advertising, cafeteria, and dietary costs should be listed in this section and not excluded or zeroed out.

# ATTACHMENT 7

## Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses Form

(A copy of the "Rural Health Clinic Reclassification and Adjustment of Trial Balance Expenses" form is located on the following pages.)

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WISCONSIN MEDICAID

**RURAL HEALTH CLINIC RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE EXPENSES**

Instructions: Type or print clearly.

**SECTION I — PROVIDER INFORMATION**

Rural Health Clinic Provider's Medicaid Provider Number	Reporting Period From	To
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**SECTION II — FACILITY HEALTH CARE STAFF COSTS**

	Trial Balance Costs		Total (Columns 1 and 2)	Reclassifications Increases (Decreases)	Reclassified Trial Balance (Total of Columns 3 and 4)	Adjustments Increases (Decreases)	New Expenses (Columns 5 and 6)
	Compensation	Other					
	1	2	3	4	5	6	7
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse — Registered Nurse/Licensed Practical Nurse							
5. Medical Assistant							
6. Other Primary Care Staff (Specify) _____							
7. SUBTOTAL — RHC Staff Costs (Sum of Lines 1 through 6)							

**SECTION III — OTHER DIRECT RURAL HEALTH CLINIC HEALTH CARE COSTS**

8. Medical Supplies							
9. Depreciation — Medical Equipment							
10. Medical Equipment Rental							
11. Medical Equipment Repairs and Maintenance							
12. Professional Liability Insurance							
13. Medical Records							
14. Other _____							
15. SUBTOTAL — Other Direct RHC Health Care Costs (Sum of Lines 8 through 14)							
16. TOTAL COST — RHC SERVICES (Sum of Lines 7 and 15)							

Continued

**SECTION IV — FACILITY OVERHEAD**

	Trial Balance Costs		Total (Columns 1 and 2)	Reclassifications Increases (Decreases)	Reclassified Trial Balance (Total of Columns 3 and 4)	Adjustments Increases (Decreases)	New Expenses (Columns 5 and 6)
	Compensation	Other					
	1	2	3	4	5	6	7
17. Rent or Lease							
18. Insurance							
19. Interest on Mortgage or Loans							
20. Property Tax							
21. Depreciation — Nonmedical							
22. Housekeeping and Maintenance							
23. Laundry							
24. Utilities							
25. Telephone							
26. Nonmedical Equipment Rental							
27. Accounting							
28. Office Salaries							
29. Office Supplies							
30. Legal							
31. Physician Recruitment							
32. Seminar / Meetings							
33. Transportation (RHC Staff)							
34. Medical Director Fees							
35. Other (Specify) _____							
36. Overhead Allocation from Hospital (Medicare Cost Report)							
a.) Building and Capital							
b.) Employee Benefits							
c.) Communication							
d.) Data Processing							
e.) Purchasing and Receiving							
f.) Hospital (Accounts / Receivable, etc.)							
g.) Administrative							
h.) Plant Ops							
i.) Other (Specify) _____							
37. TOTAL FACILITY OVERHEAD (Sum of Lines 17 through 36)							

*Continued*



SECTION V — NON-RURAL HEALTH CLINIC COSTS							
	Trial Balance Costs		Total (Columns 1 and 2)	Reclassifications Increases (Decreases)	Reclassified Trial Balance (Total of Columns 3 and 4)	Adjustments Increases (Decreases)	New Expenses (Columns 5 and 6)
	Compensation	Other					
	1	2	3	4	5	6	7
38. Laboratory							
39. Radiology							
40. Pharmacy							
41. Optometry							
42. Advertising							
43. Dietary / Cafeteria							
44. Other (Specify) _____							
45. SUBTOTAL NON-REIMBURSABLE COSTS (Sum of Lines 38 through 44)							
46. TOTAL COST (Sum of Lines 16, 37, and 45)							

## ATTACHMENT 8

### Rural Health Clinic Provider Staff Encounters Form

(A copy of the "Rural Health Clinic Provider Staff Encounters" form is located on the following pages.)

**WISCONSIN MEDICAID  
RURAL HEALTH CLINIC PROVIDER STAFF ENCOUNTERS**

Wisconsin Medicaid requires certain information to enable Medicaid to certify providers and to authorize and pay for medical services provided to eligible recipients.

Personally identifiable information about Medicaid providers is used for purposes directly related to Medicaid administration such as determining the certification of providers or processing provider claims for reimbursement. Non-submission of cost report data will result in no settlement determination being made.

The use of this form is voluntary, but providers are required to submit the information required on the form for a settlement determination and payment to take place.

**Instructions:** Type or print clearly.

**SECTION I — PROVIDER INFORMATION**

Rural Health Clinic Provider's Medicaid Provider Number

Reporting Period

From

To

**SECTION II — STAFF ENCOUNTERS**

Positions	Full-Time Employee Positions	Encounters					
		All Encounters			Medicaid-Only Encounters Including Medicaid HMO		
	Total	On Site	Off Site	Total	On Site	Off Site	Total
1. Physicians							
2. Physician Assistants							
3. Nurse Practitioners							
4. Other (Specify) _____							
5. TOTAL — Staff							